



IRISH LIFE WEEKLY INVESTMENT BULLETIN

The week that was – WEEK 11 (ending 11/03/2016)

"Racing may be a minority sport, but I wouldn't swap it for all the money in the world." – Tony McCoy

Irish economy shows highest growth since 2000 – According to the latest figures from the Central Statistics Office (CSO), the Gross Domestic Product (GDP) growth rate in 2015 was 7.8%, the highest since 2000. The increase in Quarter 4 compared to 2014 was especially noteworthy with growth of 9.2%.

ECB cuts interest rates and extends QE – The European Central Bank reduced the refi rate from 0.05% to 0%, the marginal lending facility from 0.35% to 0.25% and the deposit rate from -0.30% to -0.40%. Monthly asset purchases were also increased from €60bn to €80bn with an extension to corporate debt also included.

Global stock markets up 0.7% during the week – Markets moved higher during the week with the MSCI World Index up 0.74% from 4th March to 7th March, adding to the gains from the last number of weeks. The MSCI World Index is now down 3.2% year-to-date in local currency compared to minus 11% on 12th February.

Cyprus exits EU-IMF bailout programme – Eurozone finance ministers gathered for a Eurogroup meeting in Brussels, confirmed that Cyprus would exit its three-year programme on 23 March. The Cyprus bailout exit follows those of Ireland, Spain and Portugal. The bailout was launched in March 2013 after the banking crash.

Initial unemployment claims in U.S. lowest in 5 months – The Labor Department reported that first-time jobless claims fell to 259,000 last week, the lowest number since the middle of October. The drop, which was bigger than most economists expected, comes as the unemployment rate holds at 4.9%, an eight-year low.

Chinese exports fell by 25% in the year to February – Chinese exports saw their sharpest drop in almost seven years, falling in February by 25.4% compared to 2015. Imports fell 13.8%, adding to concerns over the health of the world's second largest economy as China set a target of 6.5% to 7% economic growth this year

The Story of the week: A group of Japanese tour operators is to begin cleaning the streets of Paris - because they claim the city is too dirty for their own highly disciplined nationals to visit. Nine Tokyo-based travel agents are sending their Paris reps out with bin bags to remove litter from the around the Eiffel Tower and Trocadero gardens.

DISCLOSURE:-

Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland. While Irish Life Investment Managers uses reasonable efforts to ensure that the information contained in this document is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. Irish Life Investment Managers therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information contained in this document. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment, or subscribe to any investment management or advisory service. The performance shown represents past performance and does not guarantee future results. Past performance is not indicative of future results.



Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 11/03)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-6.0
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	-0.7
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-5.7
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	-0.6
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	-5.2
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-11.0
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	0.0
MSCI World	-7.6	13.1	26.2	7.7	0.2	-3.2
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
US	1.9	1.7	3.0	2.2	2.2	2.0
German	1.8	1.4	1.9	0.5	0.6	0.3
UK	2.0	1.9	3.0	1.9	1.9	1.6
Japan	1.0	0.7	0.7	0.3	0.2	0.0
Ireland	8.4	4.5	3.4	1.3	1.1	0.9
Italy	7.1	4.6	4.1	2.1	1.6	1.3
Greece	31.7	12.7	8.2	9.6	7.9	8.6
Portugal	13.4	6.9	6.1	2.7	2.5	2.9
Spain	5.1	5.4	4.1	1.6	1.7	1.5
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.11
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.77
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.44
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015
Ireland	-2.4	-2.4	3.1	12.7	40.1	25.0 (to end of Q4)
UK	14.5	8.1	2.7	10.7	17.8	13.8 (to end of Q4)
US	14.8	14.5	5.3	11.4	11.2	7.9 (to end of Q3)

*Past performance is not a reliable guide to future performance